

# Families First Coronavirus Response Act

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# How can Employers & Employees help ?

- ▶ Sick employees should stay home and self quarantine
- ▶ Employees with sick family members should stay home
- ▶ Employees with exposure to sick person(s) should stay home
- ▶ Maintain social distancing in the workplace and public areas (6ft or more apart)
- ▶ Follow CDC guidance
- ▶ Work remotely from home when possible
- ▶ Follow state and local orders on “sheltering in place”
- ▶ Follow state and local orders regarding closing of nonessential business

# Families First Coronavirus Response Act

## March 18, 2020

- ▶ Overview:
  - ▶ Certain employers required to provide employees with
    - ▶ Two weeks (10 work days) of emergency sick leave
    - ▶ Up to an additional 10 weeks (50 work days) of Paid Family and Medical Leave Act (expansion of FMLA)
  - ▶ Emergency Unemployment Insurance Stabilization and Access Act of 2020
  - ▶ Unemployment Insurance Funding
  - ▶ Reimbursement to Employers for Paid Leave as Payroll and Refundable Tax Credits

# Emergency Paid Sick Leave

## When does it apply?

- ▶ Employers with fewer than 500 employees
  - ▶ Exceptions can apply for:
    - ▶ certain health care providers
    - ▶ businesses with fewer than 50 employees where requirements could affect the viability of the business as a going concern.
- ▶ Employee is unable to report to work or telework due to coronavirus issues:
  - ▶ 1) Employee is subject to Federal, State or local quarantine or isolation orders
  - ▶ 2) Health care provider has advised employee to self-quarantine
  - ▶ 3) Employee is experiencing symptoms of COVID-19 and seeking diagnosis
  - ▶ 4) Employee is caring for an individual who is subject to items listed above
  - ▶ 5) Employee is caring for a son or daughter if school or daycare has been closed or child care provider is unavailable due to COVID 19 precautions
  - ▶ 6) Employee is experiencing any other substantially similar condition specified by Health & Human Service (HHS)

# Emergency Paid Sick Leave

## Who qualifies ?

- ▶ Applies to all employees, part & full time, regardless of length of employment
- ▶ Sick employees qualify for paid sick leave:
  - ▶ Full time employees up to 80 hours of paid sick leave
  - ▶ Part time employees paid based on average number of hours they worked for the six months prior to taking paid sick leave
  - ▶ If employee has been employed for less than 6 months, the average number of hours, per week, the employee would normally have been scheduled to work
- ▶ Employer may elect to exclude employees who are healthcare providers or emergency responders

# Emergency Paid Sick Leave Rate of Pay ?

- ▶ Qualifying reasons 1, 2, or 3
  - ▶ Employee is compensated at HIGHER of their regular rate, federal minimum wage or local minimum wage
  - ▶ Not to exceed \$511 per day and \$5,110 in total
- ▶ Qualifying reasons 4, 5 or 6
  - ▶ Employee is compensated at 2/3 of regular pay
  - ▶ Not to exceed \$200 per day or \$2,000
- ▶ Wages paid under this provision may be exempt from employer social security taxes

# Emergency Paid Sick Leave

## Other compliance items

- ▶ Employee may first use this paid sick time before other paid time off
- ▶ Employer may not require employee to use other paid time off before using this paid sick leave
- ▶ Employers must post notice regarding the requirements of this law based on the Sec of labor “model notice”
- ▶ Employer may require employee to provide reasonable notice in order to continue receiving paid sick time.
- ▶ Businesses must comply within 15 days
- ▶ Law applies no later than 15 days after enactment (April 1, 2020 through Dec 31, 2020)

# Emergency Paid Sick Leave Tax Credits and Reimbursements

- ▶ Employer can receive a refundable tax credit equal to the amount of the qualified paid sick leave paid by employer per quarter
- ▶ Tax credits are equal to 100% of wages paid, plus allocated health care plan costs, plus employer medicare tax, not to exceed:
  - ▶ \$511, per day, per employee for qualifying reasons 1, 2, and 3
  - ▶ \$200, per day, per employee for qualifying reasons 4, 5 and 6
- ▶ Tax credits are received as a reduction of the employer's Social Security taxes (not including Medicare tax) but can be reimbursed if the employer costs for emergency paid sick leave exceeds the payroll taxes owed.
- ▶ Employer's salary wage expense on their business tax return must be reduced by any credit received.



# Family Leave Emergency Pay

- ▶ Employers to pay leave time when:
  - ▶ Emergency, such as COVID-19 is declared by a Federal, State or local authority
  - ▶ Employee is unable to work or telework due to a need to care for their son or daughter, under age 18, if school or place of daycare has been closed or provider is unavailable due to health emergency
  - ▶ Employee eligible after 10 days for which they take a leave for the listed event.
  - ▶ Maximum of 10 work weeks (50 work days)

# Family Leave Emergency Pay

## Who Qualifies?

- ▶ Any employee, employed for at least 30 calendar days.
- ▶ Employer can exclude employees that are healthcare providers or an emergency responder.

# Family Leave Emergency Pay Rate of pay?

- ▶ 2/3 of employee's regular rate for the number of hours they would normally have been scheduled to work.
- ▶ Not to exceed \$200 per day and \$10,000 in total, per employee.
- ▶ Wages paid under this provision may be exempt from employer social security taxes

# Family Leave Emergency Pay Tax Credits and Reimbursements

- ▶ Employer tax credits are available as discussed above under Emergency Paid Sick Leave

# Self Employed Taxpayers

- ▶ Both the Emergency Paid Sick leave and Family Leave Emergency Pay benefits are available to self employed individuals
- ▶ Benefits are subject to the same per day and total caps which apply to sick pay for employees.

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